

# Brazil Logistics Industry Overview and Size by Revenue and Fleets

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The report titled “Brazil Road Freight Market Outlook To 2023 - By International and Domestic Freight, Domestic Flow Corridors, International Flow Corridors, End Users, Integrated and Contract Logistics” provides a comprehensive analysis of Road Freight market in Brazil. The report covers the overall size and future outlook of Brazil Road Freight in terms of value, segmentation on the basis of International and Domestic Flow Corridors, End Users, Integrated and Contract Logistics. It also covers the competitive landscape and company profiles, future predictions and analyst recommendations highlighting the major opportunities and challenges.

## Brazil Logistics Industry Overview and Size by Revenue and Fleets

Road Freight is growing mainly due to the growing agricultural exports to South American countries and increasing automotive sector. The healthcare and pharmaceutical industry along with the e-commerce and express delivery market are increasing the demand for door-to-door logistics in Brazil. Poor road infrastructure, low margins, increasing road accidents and theft are the major factors limiting growth in the market. The market is strictly regulated by RNTRC with electronic freight payments and toll vouchers paid by the companies to the truckers. More vehicles are registered under the company's name in comparison to freelancers and cooperative ones.

## Brazil Freight Forwarding Industry Segmentation

By Domestic and International Freight

Domestic freight dominated the market due to the poor railway connectivity that is concentrated in the southern region of Brazil which makes road the only means to transport the goods. Sao Paulo, Rio de Janeiro, Minas Gerais, Amazonas, Brasilia are some of the hubs that have contributed to domestic road freight in the country. Trade agreements such as MERCOSUR and free trade agreements with other

countries are contributing to International freight in the market.

#### By Domestic Flow Corridors

Sau Paulo- Rio De Janeiro is the most important domestic route connecting the country's rich industrial and commercial hubs with large population. It is an important transit route for cargo intended for the states of Minas Gerais and Espírito Santo, and for the northeastern and southern regions.

#### By International Flow Corridors

MERCOSUR is a trade agreement amongst the South American nations that are contributing to the increasing trade with other nations such as Argentina, Bolivia, Uruguay, Paraguay and Others. Bridges at Fray Bentos and Paysandú in Uruguay, Friendship Bridge in Paraguay and many more are easing out the trade by road.

#### By End Users

Brazil's Agricultural Miracle has credited industrial agribusiness and boosted agricultural exports such as soybean, coffee and exotic fruits from Amazonas such as Umuçuma and Cupuaçu. 89,368 retail stores, boosting e-commerce websites such as Americanas, Casas Bahia, increasing mobile internet users are increasing retail market in the country. Automotive sector and pharmaceutical sector is thriving but lacks legislation. Others include plastic products, rubber materials, chemicals and oil and iron metals that are generally transported by sea and are carried by road till the seaports.

#### By Contract and Integrated Logistics

Contract logistics dominates the market as it results in economies of scale and economies of scope, saving on capital investments, and reducing financial risks. The trucking companies generally outsource the work to the self-employed truckers and local players in the market.

#### Competitive Scenario

The industry is quite fragmented with more than 152,165 carrier companies registered under RNTRC. The industry is dominated by local domestic players such as JSL S.A, Ritmo logistics, Braspress Logistics and International players include DHL Global forwarding, Kuehne +Nagel and CEVA logistics. The Industry has self-employed truck drivers that are either contacted by the companies directly or connect with companies based on their ratings on aggregator type platforms such as Truckpad and CargoX for better fares. The Industry is at a growth stage in terms of parameters such as technology, efficiency and service portfolio but the logistics cost is very high in the market.

#### Future Outlook and Projections

Brazil Road Freight market is projected to grow during the forecast period 2019-2023F due to concessioning the highway development projects to private companies. The key growth drivers for the market include improvement in automotive sector and healthcare industry and rising online purchases which has augmented the E-commerce market. The International road freight is expected to increase due to the free trade agreements with Chile, Inclusion of Bolivia in MERCOSUR and highway developments to connect nearby countries by road. Minimum freight law established by the government is expected to regulate the market in future.

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